ABSTRACT

Systems and techniques are described that allow prospective home buyers to see how much additional equity can be built up through the use of mortgage insurance. One described system includes a central processing unit having electronic access to mortgage insurance information stored in memory, and a user interface for receiving user inputs indicative of a borrower's financial situation, closing costs, loan terms, and a house value appreciation assumption. The central processing unit performs an analysis of the inputted information and calculates a maximum dollar amount of the purchase price of a house that the borrower can afford, based upon an optimal loan-to-value ratio, achievable using mortgage insurance, that maximizes future home equity. The central processing unit further calculates a maximum dollar amount of the purchase price of a house that the borrower can afford without using mortgage insurance. The central processing unit then provides results of the calculations to the user interface for output to the user.